



JUDICIARY COMMITTEE

March 23, 2016

My name is Jeff Bridges, Town Manager in Wethersfield.

I am testifying on behalf of the Connecticut Conference of Municipalities (CCM) in opposition to SB 472, "An Act Concerning The Assignment of Liens Filed By A Municipal Tax Collector".

CCM is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 96% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

SB 472 would prohibit the assignment of any municipal lien under \$2,500, as well require additional information to be provided when notice is sent to the taxpayer regarding the assignment of the lien. This bill would make lien assignments significantly less attractive for investors, hurt municipalities that use the process, and do very little to benefit taxpayers in the process.

In general, the assignment of these liens are not made to initiate foreclosure actions, but rather as an opportunity for the third party to offer a longer payment plan terms with the taxpayer that the municipality is unable to provide. Therefore, the bill would not reduce foreclosures. Wethersfield, and other municipalities that utilize the assignment of tax liens would be forced to refer delinquent real property accounts for Foreclosure or Tax Sale.

This proposal does nothing to improve consumer protections for homeowners facing foreclosure. It merely shifts the responsibility and forces enforcement collection and proceedings onto municipalities and local budgets.

Currently, residents pay higher fees for delinquent state taxes, because towns and cities do not charge a penalty. For instance:

	Delinquency	Penalty	Interest	Amount Owed After One Month
Property Tax	\$10,000	0	1.5% per month	\$150.00
State Income Tax	\$10,000	10%	1% per month	\$1,100.00
State Sales Tax	\$10,000	15% or \$50, whichever is greater	1% per month	\$1,600.00

Be assured, CCM shares the interest in wanting to reduce property taxes, which, in turn, reduce the likelihood of taxpayer delinquency. In order to truly assist taxpayers, rather than implementing SB 472, the better approach would be to maintain state aid to towns and permit local revenue diversification.

CCM urges the Committee to oppose SB 472 and instead focus on comprehensive property tax reform as a way to assist all hard-pressed taxpayers. It's the fairest way to provide relief during this very difficult period.

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If you have any questions, please contact Mike Muszynski, Advocacy Manager of CCM, at mmuszynski@ccm-ct.org or (203) 500-7556.